

Company Registered Number: 01197478

Charity Registered Number: 269158

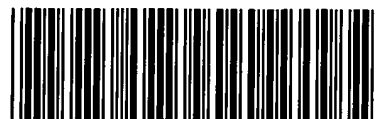
London Cyrenians Housing Limited

Report and financial statements

for the year ended

31 March 2023

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LONDON CYRENIANS HOUSING LIMITED

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LONDON CYRENIANS HOUSING LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

STATUS	Company limited by guarantee without share capital and registered as a charity
REGISTERED OFFICE	Carlyle House 235-237 Vauxhall Bridge Road London SW1V 1EJ
HONORARY OFFICERS	Stephen Bashorun (Chair) Michael Driver (Chair of Finance C'tte)
BANKERS	Barclays Bank plc Level 11 1 Churchill Place Canary Wharf London E14 5HP
AUDITOR	CLA Evelyn Partners Limited 45 Gresham Street London EC2V 7BG
SOLICITORS	Trowers & Hamlins
COMPANY REGISTERED NUMBER	01197478
CHARITY REGISTERED NUMBER	269158
REGISTERED PROVIDER OF SOCIAL HOUSING NUMBER	LH4377

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2023

The Board of Trustees presents its report and strategic report and the accounts for the year ended 31 March 2023. The Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Reserves, and Statement of Cash Flows are included later in this report.

Activities

The principal activity of the Company is the provision of housing and intensive support to single vulnerable people with a range of complex needs.

Public Benefit

In setting objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit and are pleased to confirm that our activities are undertaken in furtherance of our charitable purposes which are for the public benefit.

Our impact this year has been beyond expectations as we continue to provide successful alternatives to inpatient hospital care which means the people we support can live freer lives in traditional houses with staff support.

Review of Affairs 2023

Introduction

It has been another tough year for the health and social care sector with the familiar challenges of lack of suitably skilled and abled staff compounded by soaring costs across the board and reduction in contract values. Thankfully, for Cyrenians our brave and forward thinking Radical Rent Programme is underway, and we now have a new funding stream to support our work. This funding stream provided by mainstream rent enables us to promote our autonomy, reduce reliance on the public purse and helps us to be a valued and respected provider for those who commission our services.

We are proud to have introduced our Pop-Up Training Academy this year. This has enabled us to support local talent to enter the health and social care workforce by establishing a 12 week learning programme to skill the support workers of the future.

These innovations enable us to continue to develop safely within our means and yet meet the challenges head on with the resilience and financial stability that has been part of our corporate DNA.

Activity

At our best we find solutions, disrupt (when needed) and come up with new ideas to overcome challenges. Our biggest challenge, in common with the health and social care sector at large, is the recruiting of suitably skilled and abled staff.

Advertising, social media, salary increases, bonuses and working week hour reductions have helped us but not to the level required, so we donned our thinking caps, and the Pop-Up Academy was born. Our Pop-Up has been a wonderful way to grow the talent of Londoners who have empathy and commitment but needed expertise and experience to enable them to become a valued part of our workforce. We have dedicated 3,675 hours to train and develop staff via our training academy and onsite learning.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2023 (continued)

New Developments

Carleton Road - the development at Carleton Road continues at a pace and we are looking forward to seeing the transformation of this tired property into 3 beautiful self-contained flats in the Spring 2024.

Halford House - these well-apportioned flats have been providing accommodation for local people for the past 18 months. The final part of the site development is underway with our East Acton Lane property getting a top to toe make over.

Given the staffing crisis in London we have chosen to restrict our new business ambitions to those we know we can operate and staff to our high standards. This is a frustration for Cyrenians as we are proud of our innovative and successful model of service delivery and are keen to expand this. However, our success with staff from the Pop-up Academy means that we are now looking to develop 1-2 specialist services over the next year.

Investment

The five key pillars to our investment plans are:

1. Property

Our upgrade programme is going full steam ahead and we are pleased that Ella Villa will be hosting a housewarming event this summer to welcome the women back and to show off their beautiful home. We will continue to upgrade our existing properties to ensure that service users have modern, clean and pleasant environments in which to begin their recovery journeys. This includes being mindful of our Environment and Sustainability plans and replacing old inefficient systems with newer greener ones where possible.

2. People

As the sector continues to face unprecedented shortages, we have looked at creative and responsible ways to recruit and retain staff. We have a well-received recognition award, comprehensive training programme and have just completed a work life balance review culminating in a reduction of hours from 40 to 35 per week.

We are working with several universities to support young talent coming through and to promote adult social care as a vibrant and rewarding career.

We also have student placements for nurses, psychology graduates and social care staff. We are thrilled to be playing our part as educators for the nurses and clinicians of the future.

3. Services

We have been reviewing our service models and looking at ways to develop a more bespoke response for younger people with histories of self-harm and suicidal ideation. This will not be easy as the model will be built around the tolerance and joint acceptance of risk with our statutory colleagues.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2023 (continued)

We have begun our health outcomes review with service users and look forward to completing this and implementing findings before the end of the financial year.

4. Governance

Our young trainee trustee program was a great success and culminated in a conference at Lyric on 14th September 2022. Feedback from the program included :

- I am more capable than I think and will be more open to trying new positions. Working with Cyrenians in such a broad role made me realise that I am capable of taking on any challenges that come my way and has prepared me for roles that require a diverse set of skills.
- Social carers have more diverse roles than I originally thought - no day is the same. I learnt that social care is not just one job and you can be doing different things with service users on a daily basis.
- It was important to use my connections and network to help my project succeed. It was really helpful for my project that I had a mental health initiative with students from a few Universities across the country. This means I was able to easily recruit students and also invite Cyrenians to a mental health event at Birmingham University to showcase their amazing work.
- To not judge an industry by how it is portrayed. I had expectations about the social care sector before becoming a young trustee at Cyrenians and now we have completely changed. Now that I have researched more about the industry and the barriers to entry I will strive long after I have departed from Cyrenians to champion the incredible work We do and how rewarding this can be for a young person to gain experience in.

We have begun our recruitment process for the next group of young trustees and hope to appoint one at our AGM.

We have an annual trustee skills audit and are proud to share that we have skills and expertise in:

- Mental health, patient safety and national strategic leadership for mental health
- Physical healthcare and post injury rehabilitation
- Department of Health implementation lead for mental capacity act and Deprivation of Liberty Safeguards, Mental health law, adult social care at regional and national levels
- Governance, volunteering and use of technology for community change
- Housing management, development and environment and sustainability best practice
- The law as it relates to employees, pensions and practice

5. Corporate Identity

We are reviewing our brand, our profile and how we are seen by those that use and fund our services, the public at large and our workforce. We want our image to better reflect our culture and values and represent our work.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2023 (continued)

Risk and Uncertainties in the Immediate Future

The risks and uncertainties for Cyrenians are the same as those for the sector in general which are:

- Lack of suitably skilled and abled staff
- Reluctance in clinical risk sharing
- Decline in the value of support contracts

We have developed a range of responses to mitigate the above uncertainties and review these regularly with our trustees.

Risk Management (Corporate)

In order to ensure effective risk management and sound governance the Trustees continue to:

- Maintain adequate insurance cover
- Comply with our policies and procedures
- Work within an internal control frame work

Disabled Persons

As a mental health and learning disability charity, we are mindful of the importance of supporting people with disabilities and/or health conditions to access paid employment. We have a diverse central team and are pleased to be able to support people with long term mental health conditions into the workplace. We are supported by our retained Occupational Health Service who support us to make reasonable adjustments to the working environment where safe and appropriate to do so.

Diversity

Cyrenians are pleased to promote diversity at all levels in the organisation and have a positive and inclusive track record from our trustees to our frontline staff. We continue to review access to our service and employment to ensure that people from all walks of life are welcomed to Cyrenians.

Employee Information

We are pleased to report that we have regular bulletins, debriefs, newsletters and activity update emails. We also have a company meetings, staff conference and ad hoc events and we also share information by:

- QR code access
- Podcast
- Advertising and social media
- Training

Key Performance Indicators

We have detailed below our performance against the key indicators of occupancy, staff turnover and arrears

	2023	2022
Occupancy	93%	96%
Staff turnover	17%	26%
Arrears	5%	5%

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2023 (continued)

Value for Money Metrics

The following VFM metrics have been calculated as recommended by the Regulator of Social Housing:

- **Reinvestment** – 0.58% (2022: 8.83%) The reinvestment metric in 2023 is driven by the development of the Carleton Road and Refurbishment of Ella villa.
- **New supply delivered** – 0% (2022: 1.48%)
- **Gearing** - London Cyrenians has no borrowing.
- **EBITDA MRI-Interest cover** - London Cyrenians has no borrowing and therefore no interest to cover.
- **Headline social housing cost per unit** - £9,847 (2022: £7,367)
The high cost per unit reflects the inflation cost price increases during the year.
- **Operating margin (social)** – -1.00% (2022: 3.58%)
- **Return on capital employed (ROCE)** – 0.87% (2022: 2.73%)

Due to the unique combination of services benchmark data from other similar organisations may not provide meaningful, comparative information. We do however use data obtained through this method to inform our decisions.

Governance and Financial Viability Standard

The annual review of compliance against the Regulator of Social Housing's Governance and Financial Viability Standard has been carried out and London Cyrenians Housing Limited was compliant with the Standard during the reporting period.

Code of Governance

London Cyrenians Housing Limited adopted the National Housing Federation Code of Governance 2020 for the reporting period. An annual assessment of compliance against the Code has been conducted and confirms that London Cyrenians Housing Limited complies with all the requirements of the code.

Level of Reserves

In line with best practice Cyrenians seeks to maintain unrestricted reserves and working capital at a level that is prudent and sufficient to ensure that the Company's current and planned future activities can be operated effectively and to enable any unexpected financial interruption to be satisfactorily managed.

Disclosure of Information to the Auditor

The Board of Trustees (directors and trustees of the company) who held office at the date of approval of this Board report confirm that, so far as we are each aware, there is no relevant audit information of which the auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2023 (continued)

The Board of Trustees are appointed following: an open recruitment process; meetings with senior members of staff; attendance as observers at board meetings; and an interview with the Cyrenians Chair: all these steps are in accordance with Cyrenians' written procedures. The following served during the period and up to the date of this report:

S. Bashorun
A. Diggle
M. Driver
C. Thompson
S. Chamberlain

H. Maxwell (resigned 26.02.23)
Prof C. Flood
Prof B. Thomas
J. Ward-Smith (MBE)

All members of the Board are members of the Company and guarantee to contribute to the assets of the Company, in the event of it being wound up, such amounts as may be required not exceeding £1. The number of guarantees at 31 March 2023 was eight (2022-9).

Members of the Board have no beneficial interest in the Company and are not remunerated. We are indemnified by the Company against legal action arising in the course of their duties.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Board is responsible for preparing a Report of the Board of Trustees and Strategic Report and the financial statements in accordance with applicable law and regulations.

The law requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the Company's financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Board must not approve the financial statements unless We are satisfied that We give a true and fair view of the state of affairs of the Company and of the surplus or deficit for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. We are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LONDON CYRENIANS HOUSING LIMITED

REPORT OF THE BOARD OF TRUSTEES AND STRATEGIC REPORT for the year ended 31 March 2023 (continued)

Auditor

A resolution to appoint CLA Evelyn Partners Limited as auditor to the Company will be submitted to the Annual General Meeting in September 2023.

This report was approved by the Board of Trustees on 28 September 2023 and signed on its behalf by:



Stephen Bashorun
Chair

28/09/2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON CYRENIANS HOUSING LIMITED

Opinion

We have audited the financial statements of London Cyrenians Housing Limited (the 'association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and Reserves, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements

LONDON CYRENIANS HOUSING LIMITED

or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Trustees and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees and Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees and Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set on page 8, the members of the board are the directors of the association for the purposes of company law. The directors are responsible for the preparation of the financial statements and for being satisfied that We give a true and fair view, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, We could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

LONDON CYRENIANS HOUSING LIMITED

We obtained a general understanding of the association's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the association's industry and regulation.

We understand that the association complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular board meetings and compliance reporting

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the association's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the association:

- FRS 102, the requirements of the Companies Act 2006, the Charities Act 2011 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed any correspondence between the Regulator of Social Housing and the association.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the association's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the association's processes and controls surrounding manual journal entries; and
- reviewing and challenging estimates made by management.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not

LONDON CYRENIANS HOUSING LIMITED

accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited
CLA Evelyn Partners Limited (Sep 29, 2023 19:04 GMT+1)

Julie Mutton
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

29/09/2023

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2023

	Note	2023	2022
		£	£
Turnover	4	7,390,123	7,749,036
Operating expenditure		(7,464,054)	(7,471,985)
Other Income		<u>202,942</u>	<u>250,779</u>
Operating surplus	3	129,011	527,830
Interest receivable and similar income	7	50,960	7,355
Gain on fair value of investment	17	<u>351</u>	<u>22,582</u>
Surplus before property revaluation		180,322	557,767
Gain on revaluation of investment property	8	<u>76,950</u>	<u>697,000</u>
Surplus for the financial year		<u><u>257,272</u></u>	<u><u>1,254,767</u></u>

Registered number 01197478 England and Wales

The notes on pages 19 to 28 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 March 2023

	Notes	2023	2022
		£	£
Fixed assets			
Investment property	8	4,126,950	4,050,000
Tangible assets – housing properties	9	10,197,950	10,737,600
		<u>14,324,900</u>	<u>14,787,600</u>
Current assets			
Debtors	10	318,204	302,988
Financial assets-investments	17	303,502	303,151
Cash at bank and in hand	11	6,719,276	6,339,874
		<u>7,340,982</u>	<u>6,946,013</u>
Creditors: amounts falling due in less than one year	12	(1,000,406)	(1,325,409)
Net current assets		<u>6,340,576</u>	<u>5,620,604</u>
Total assets less current liabilities		<u>20,665,476</u>	<u>20,480,204</u>
Provisions for liabilities	13	<u>(351,803)</u>	<u>(351,803)</u>
Net assets		<u>20,313,673</u>	<u>20,056,401</u>
Capital and reserves			
Designated reserves		11,625,372	12,165,021
Revaluation reserves		2,699,529	2,622,579
General reserves		<u>5,988,772</u>	<u>5,268,801</u>
		<u>20,313,673</u>	<u>20,056,401</u>

The financial statements were approved by the Board of Trustees on 28 September 2023 and were signed on its behalf by:

Michael Driver
Michael Driver (Sep 28, 2023 13:33 GMT+1)

Michael Driver, Chair of Finance Committee

Stephen Bashorun

Stephen Bashorun, Chair

Registered number 01197478 England and Wales

The notes on pages 19 to 28 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF CHANGES IN EQUITY AND RESERVES FOR THE YEAR ENDED 31 March 2023

	Notes	Designated Reserves £	General Reserves £	Revaluation Reserve £	Total Reserves £
At 1 April 2021		1,420,195	15,455,860	1,925,579	18,801,634
Surplus for the year		-	1,254,767	-	1,254,767
Release of designated reserve	(1,420,195)	-	1,420,195	-	-
Transfer between reserves	12,165,021	(12,165,021)	-	-	-
Revaluation	-	-	(697,000)	697,000	-
At 1 April 2022		12,165,021	5,268,801	2,622,579	20,056,401
Surplus for the year		-	257,272	-	257,272
Transfer between reserves	(539,649)	-	539,649	-	-
Revaluation	-	-	(76,950)	76,950	-
At 31 March 2023		11,625,372	5,988,772	2,699,529	20,313,673

The notes on pages 19 to 28 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

STATEMENT OF CASH FLOWS for the year ended 31 March 2023

	Notes	2023 £	2022 £
Net cash generated from operating activities	A	424,054	824,247
Investing activities			
Interest received		50,960	7,355
Purchase of tangible fixed assets investments		(95,612)	(1,453,627)
Net cash (used in)/investing activities		(44,652)	(1,446,272)
Financing activities			
Interest paid		-	-
Net cash generated from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		379,402	(622,025)
Cash and cash equivalents at beginning of the year		6,339,874	6,961,899
Cash and cash equivalents at end of year		<u>6,719,276</u>	<u>6,339,874</u>

The notes on pages 19 to 28 form part of these financial statements.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS for the year ended 31 March 2023

A RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2023 £	2022 £
Surplus for the financial year	257,272	1,254,767
(Gain) on revaluation of investment property	(76,950)	(697,000)
(Gain) on fair value of investment	(351)	(22,582)
Interest receivable and similar income	(50,960)	(7,355)
Depreciation charge on tangible fixed assets	635,262	565,033
(Increase)/decrease in debtors	(15,216)	(82,807)
(Decrease) in creditors	(325,003)	(14,005)
(Decrease) in provisions	(0)	(171,804)
	<hr/>	<hr/>
Net cash generated from operating activities	424,054	824,247
	<hr/>	<hr/>

B ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash	6,339,874	379,402	-	6,719,276
	<hr/>	<hr/>	<hr/>	<hr/>
Total	6,339,874	379,402	-	6,719,276
	<hr/>	<hr/>	<hr/>	<hr/>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

1 Accounting policies

The principal accounting policies are summarised below.

Basis of preparation

London Cyrenians Housing Limited is a company limited by guarantee without share capital and registered as a charity, incorporated in England and Wales and as a Registered Provider of Social Housing. The address of the registered office is Carlyle House, 235-237 Vauxhall Bridge Road, London, SW1V 1EJ. The company meets the definition of a Public Benefit Entity per FRS 102.

The financial statements are prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice, Accounting by registered social housing providers 2018, ("the SORP") issued by the National Housing Federation. The financial statements also comply with the Accounting Direction for private registered providers of social housing 2022 ("the Direction").

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements have been prepared under the historical cost convention, except where otherwise stated, and are presented in sterling £.

Basis for consolidation

The Company is a parent undertaking as disclosed in note 16. The Company has taken exemption from preparing consolidated financial statements under FRS 102 on the basis that its subsidiary is permitted to be excluded from consolidation by section 405 of the Companies Act 2006 on the basis that its inclusion is not material for the purpose of giving a true and fair view. Given that the subsidiary is dormant, these financial statements disclose the result of the Company only.

Going concern

The Board have prepared these financial statements on a going concern basis. This follows a review of expected future cash flows taking into account the timing of expected income and expenditure. Based on that review, the Board consider that all of the Company's liabilities will be met at or before the point We fall due for a period of at least 12 months from the date of signing the accounts.

Turnover

Charges to residents and income from investments are included in the Income and Expenditure account in the year to which We relate.

Voluntary income is received by way of donation and gifts and is included in full in the Statement of Comprehensive Income when received unless it is provided for a specific purpose in which case it is recognised in the Statement of Comprehensive Income in the period in which the relevant expenditure is incurred.

Revenue grants including contracts from local authorities are credited to the Statement of Comprehensive Income in the period to which We relate.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

1 Accounting policies (continued)

Fixed assets and depreciation

The capital cost of housing properties includes the purchase price and alteration works where this enhances the economic benefit of the property. Housing properties are stated at cost less accumulated depreciation and any recognised impairment losses.

Fixed assets are depreciated at varying rates in order to write off the cost less estimated residual value of the assets over their useful lives. The useful lives are estimated as follows:

Property	13 years
Motor vehicles	3 years

The land element of property is not depreciated.

The Company has elected not to adopt component accounting in respect of its old housing properties. This decision was taken due to the fact that the useful life that would be applied to individual components was not deemed to be materially different from the 13 year useful life of property stated above. Component account has been applied in respect of properties acquired in 2020 and will be applied when substantial works are undertaken on existing properties which require capitalisation. The various components and associated estimated useful lives are:

Kitchens	7 years	Roofs	25 and 50 years
Bathrooms	10 years	Windows & doors	12 years
Boiler & Heating	7 years	Bricks and mortar	50 years

Impairment of housing properties

At each statement of financial position date, housing schemes are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value with its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Income and Expenditure account; the carrying value is reduced appropriately.

Investment property

Investment properties, which are properties held to earn rental and/or for capital appreciation, are initially measured at cost and subsequently at fair value. The directors have opted to revalue annually, with the support of independent professional valuers on a periodic basis at the balance sheet date. When the directors revalue the properties We make judgements based on current tenants, remainder of the lease term of tenancy, location, and other market conditions. Gains or losses on revaluation are recognised in the Statement of Comprehensive Income and where these are above depreciated historic cost We are subsequently transferred to the property revaluation reserve through the Statement of Changes in Equity and Reserves.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

1 Accounting policies (continued)

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose a specific future performance condition is recognised as revenue when the grant proceeds are receivable. A grant that imposes a specific future performance related condition on the company is recognised only when those conditions are met. A grant received before the revenue recognition criteria is satisfied is shown as a liability in the Statement of Financial Position.

Value added tax

The Company is not registered for VAT purposes and expenditure is shown gross of any value added tax.

Pension costs

The Company contributes to certain employees' personal pension plans on a defined contribution basis. Contributions are also made to the pension scheme of certain employees in accordance with their rights under TUPE. The pension cost charge represents the contributions payable under the scheme by the Company to the fund. The Company has no liability under the scheme other than for the payment of those contributions.

Contributions to defined contribution pension schemes are charged to the Income and Expenditure account as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Designations

Designated reserves are unrestricted reserves earmarked by the Board for particular purposes. The designations are as follows:

- Housing and investment properties (net of revaluation) being the reserves which are represented by tangible fixed assets.

General reserve

This reserve relates to the cumulative retained earnings, excluding revaluations and designated reserves.

Revaluation reserve

This reserve relates to the cumulative revaluation of investment property.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

1 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Investments are recognised at their fair value with movements going to the Income and Expenditure account.

Cash and cash equivalents

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of under a year and bank overdrafts which are an integral part of the company's cash management.

Employee benefits

Short term employee benefits such as holiday pay are accrued as services are rendered.

Operating leases

Rentals payable under operating leases are charged to Income and Expenditure on a straight line basis over the lease term. The aggregate benefits of any lease incentive are recognised as a reduction in expenses recognised over the term of the lease.

2 Key sources of estimation uncertainty and judgements

The preparation of Financial Statements requires the use of estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Critical judgements

The following are critical judgements apart from those involving estimations (which are dealt with separately below), that the trustees make in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements:

Categorisation of housing properties as investment properties or tangible fixed assets

Properties which are held to earn market rents, capital appreciation or both are accounted for as investment properties. Properties rented to provide social housing and properties used for administrative purposes are classified as tangible assets – housing properties.

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

2 Key sources of estimation uncertainty and judgements (continued)

Identification of housing property components

As explained in note 1 above, for additions to housing properties and capitalisation of significant works, depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Key sources of estimation uncertainty

The estimates and assumptions which have the most significant effect on amounts recognised in the financial statements are discussed below:

Valuation of Investment property

The company holds two investment properties which were previously held as housing properties. After transfer and initial recognition, the investment property is measured at its fair value. The valuation assessment at year end has been performed by the directors of the Company based on publicly available market data.

Useful lives of Company properties

The depreciation applied by the Company to its owned properties takes into account the age and condition of the properties as well as the intensive utilisation sustained by the assets due to the nature of the services and client group of the Company. The accumulated depreciation at 31 March 2023 was £6,364,379 (2022: £5,729,117).

Dilapidations provision

The Company makes provision for dilapidations to its leased properties. The provision takes account of contractual responsibilities, health and safety obligations and any other relevant regulatory requirements.

Bad debt provision

The debtor balances in respect of charges to service users and statutory bodies of £103,766 (2022: £125,003) and revenue grant receivable £99,291 (2022: £53,672) are recorded in the Company's Statement of Financial Position. A full line by line review of debtors balances is carried out regularly.

3 Operating surplus

	2023 £	2022 £
Is stated after charging:		
Depreciation	635,262	565,033
Auditor's remuneration – audit services including VAT	33,570	25,890
Operating lease payments - buildings	<u>92,000</u>	<u>92,000</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

4 Social Housing Turnover and Costs	2023	2022
	£	£
Rent receivable excluding service charge	2,276,479	2,276,468
Service charges receivable	104,003	87,742
Revenue Grants	5,168,256	5,384,826
Social housing activity expenditure	<u>(7,464,054)</u>	<u>(7,471,985)</u>
Operating (deficit)/surplus and net (deficit)/surplus from social housing activities	<u>(50,518)</u>	<u>277,051</u>
Void Losses	<u>(135,202)</u>	<u>(101,203)</u>

The expenditure and operating surplus from Social House activities are equivalent to the amount in the Statement of Comprehensive Income

5 Staff costs	2023	2022
	Number	Number
The average weekly number of persons employed during the year (full time equivalents) was:	166	180
	£	£
Staff costs for the above persons were:		
Wages and salaries	4,192,694	4,426,038
Social security costs	382,008	423,419
Pension costs	<u>105,732</u>	<u>115,926</u>
	<u>4,680,434</u>	<u>4,965,383</u>

6 Emoluments of the Board and senior management team

The directors of the Company do not receive any remuneration and the below amounts relate solely to managerial staff considered to be key management personnel.

	2023	2022
	£	£
Remuneration paid to key management personnel comprised:		
Gross salary	228,718	210,052
Social security costs	34,422	28,987
Employer's pension contributions	<u>13,023</u>	<u>12,463</u>
	<u>276,163</u>	<u>251,502</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

	2023 £	2022 £
Highest paid director's aggregate emoluments (excluding pension)	<u>86,365</u>	<u>86,365</u>
	<u>86,365</u>	<u>86,365</u>

The Chief Executive is an ordinary participant in the company's pension arrangement and no enhancements or special terms apply. There are no other pension arrangements.

The full time equivalent number of staff whose remuneration payable in relation to the period of account fell within the following bands:

	2023 No	2022 No.
£60,001 - £70,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

7 Interest receivable and similar income	2023 £	2022 £
Bank interest receivable	48,266	6,073
Dividend from investments	<u>2,694</u>	<u>1,282</u>
	<u>50,960</u>	<u>7,355</u>

8 Investment property Valuation

At 1 April 2022	4,050,000
Fair value adjustment	<u>76,950</u>
At 31 March 2023	<u>4,126,950</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

9	Tangible assets -housing properties	Properties	Land	Total
		£	£	£
	Cost			
	At 1 April 2022	11,520,110	4,946,607	16,466,717
	Addition in the year	95,612	-	95,612
	At 31 March 2023	<u>11,615,722</u>	<u>4,946,607</u>	<u>16,562,329</u>
	Depreciation			
	At 1 April 2022	5,729,117	-	5,729,117
	Charge for the year	635,262	-	635,262
	At 31 March 2023	<u>6,364,379</u>	<u>-</u>	<u>6,364,379</u>
	Net book value			
	At 31 March 2023	<u>5,251,343</u>	<u>4,946,607</u>	<u>10,197,950</u>
	At 31 March 2022	<u>5,790,993</u>	<u>4,946,607</u>	<u>10,737,600</u>

10 Debtors	2023	2022
	£	£
Gross arrears of charges to customers & other statutory bodies	103,766	125,003
Revenue grants receivable	99,291	53,672
Other debtors	<u>115,147</u>	<u>124,313</u>
	<u>318,204</u>	<u>302,988</u>

11 Cash and cash equivalents	2023	2022
	£	£
Cash at bank and in hand	<u>6,719,276</u>	<u>6,339,874</u>
	<u>6,719,276</u>	<u>6,339,874</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

12 Creditors	2023 £	2022 £
Amounts falling due within one year:		
Trade creditors	82,157	77,605
Customers' charges in advance	254,912	240,185
Other creditors	-	64,363
Other taxation and social security	130,792	140,060
Accruals and deferred income	532,545	803,196
	<u>1,000,406</u>	<u>1,325,409</u>

13 Provisions	Dilapidations provision
	£
At 1 April 2022	351,803
Additions	-
Released	-
	<u>-</u>
At 31 March 2023	<u>351,803</u>

14 Housing units at end of year – supported housing	2023 Units	2022 Units
Owned	86	86
Managed	39	49
	<u>125</u>	<u>135</u>

15 Operating leases

The Company holds properties and office equipment under non-cancellable operating leases. At 31 March 2023, the Company had the following future minimum lease payments under non-cancellable leases:

	2023 £	2022 £
For leases expiring:		
Within one year	92,000	92,000
In two to five years	173,940	265,940
	<u>265,940</u>	<u>357,940</u>

LONDON CYRENIANS HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

16 Subsidiary undertaking

Name	Country of Incorporation	Class of shares	Holding	Activity
Capital Housing Limited	United Kingdom	Ordinary	100%	Dormant

The registered office of the above subsidiary was Carlyle House, 235-237 Vauxhall Bridge Road, London, SW1V 1EJ. The subsidiary was incorporated on 15 August 2019 and has remained dormant since incorporation.

17 Financial instruments

	2023 £	2022 £
<i>Equity instruments measured at fair value through the income and expenditure account</i>		
Current asset listed investments		
Cash	240	216
Ruffer Total Return Fund	107,407	111,667
Schroder Sustainable UK Equity	84,312	82,229
Liontrust Income /Neptune Income	111,543	109,046
	<u>303,502</u>	<u>303,151</u>

Fair value gains and losses

Gain on financial assets measured at fair value through profit or loss

Current asset listed investments	<u>351</u>	<u>22,582</u>
	<u>351</u>	<u>22,582</u>

18 Ultimate controlling party

There is no ultimate controlling party

19 Capital Commitments

Capital commitments contracted but not provided for in the financial statement were as follows:

On 20 December 2022, London Cyrenians Housing entered a reversed contract of refurbishment of detached house 69 Carleton Road London N1 7EW. The best estimate of the of the total cost of this development is £0.903million.

Amount contracted	£903,376
Amount authorised by the board but not contacted	£Nil

These Commitments will be funded by existing reserves.